

# **Combatting Communism and capitalism**

**Reviving village autonomy**

CIRA-Nippon

1976

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## The plight of South Korean peasants

The people of south Korea have become pawns in the economic and political strategy of Kissinger's global chess-game. Nevertheless, as I found on a recent trip there, these down-trodden people are still struggling for control over their lives.

Seoul, the capital of south Korea, has a population of 6.8 million, which includes 2.5 million slum-dwellers squashed into narrow strips of shacks, each housing five or six families. Over 80% of these people have recently come from the countryside looking for work. Such work is increasingly scarce. The government manages to contrive a national jobless rate of 3 to 4% by counting even one hour-per-week as "employment." The Soyang University's Institute for Labor and Management, however, estimates it at over 20%. Separate slum figures are not available, but are acknowledged to be high. While the government pursues its "slum clearance policy of bulldozing the people from one slum to another, the lower middle and middle classes are buying up the "lowincome citizen apartments" originally intended for, but beyond the purchasing ability of the slum-dwellers.<sup>1</sup>

According to various reports, the migrants are starting to trickle back to the farms, but the basic hardships that first drove them to the cities remain. In the two northern provinces the land is mountainous, sustaining only subsistence farming. On the other hand, the rich rice-land of the south draws heavy taxes. And the farmers must sell, at less than cost price, a percentage (20-30% according to one estimate) of each rice harvest to one of the government-run National Agricultural Co-operative Federation. A group close to farmers<sup>2</sup> states that 80 kiloliters (100 kiloliters equals 2.8 bushels) of rice fetch only W23,292 (W480=US\$1), W3792 less than it costs to produce it, while another source estimates that it is as much as W 10,000 below cost. No wonder, then, that the amount of paddy land under cultivation has declined 17% in the last seven years.<sup>3</sup>

Although Korea used to be a rice-exporting country, now 30% of its rice comes from abroad, mainly from Japan and the U.S. Title I of Public Law 480 ("Food for Peace"), for example, provides Korea with long-term credits at 2-3% interest for the purchase of rice and other grains, to be repaid in 30-40 years. U.S. farmers sell their surplus to the Commodity Credit Company, a private agency which obtains government money to collect the grain. The big profits, however, go to the big grain firms, such as Cargill, Cook Industries and Continental, the people who own the elevators where the grain is stored and receive government financing for their grain exports and subsidiaries abroad.<sup>4</sup> Between January and June 1975 alone, the U.S. sent 208,020,000 metric tons of rice to south Korea through PL480. Far from philanthropic, this "aid" has promoted American agribusiness interests in other countries while undermining their domestic production. Indeed, PL480 has already made south Korea "the fastest-growing market for U.S. farm goods in the Far

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<sup>1</sup> The government gives the slum dwellers "tickets" entitling them to one of the apartments, provided they pay the equivalent of US\$800 in key money. Unable to do so, most sell their tickets to members of the lower-middle class, who live in them, or to the middle class, who rent them out.

<sup>2</sup> Henceforth, all Korean sources and names will be omitted for their protection. Emergency Measure No. 9, implemented in May 1975, enables the government to imprison Koreans for up to seven years for conveying any "disparaging" information to foreigners.

<sup>3</sup> Agricultural Yearbook, 1975.

<sup>4</sup> Cargill, for example, received US \$151,363,000 in PL 480 funds for the period 1972-74 alone. For further information on how PL 480 enriches the grain companies and furthers American foreign policy objectives, see the NACLA report, "U.S. Grain Aresenal," Vol. IX No. 7, October 1975 (Box 57, Cathedral Station, NY 10025, or Box 226, Berkeley, Cai. 94701).

East,"<sup>5</sup> often creating markets where none had existed and undercutting domestic prices. Thus PIA80 shipments to south Korea allow President Park Chung Hee to satisfy the hunger of the poor urban workers who otherwise would find it difficult to eat<sup>6</sup> at the expense of the farmers, who are thus forced to move into the cities. As long as rural labor migrates to the cities, increasing the already large pool of cheap labor, farms will deteriorate and wages remain low. Hence the plight of urban and rural workers is intimately linked.

## Workshops and co-ops

Since 1971 the government-imposed *Saemaul* ("New Countryside") Movement<sup>7</sup> has pursued irrigation, road-building and various superficial projects. Some Koreans have voiced approval. However, all decisions come from the top and the villagers have no choice or voice in development plans, nor even in whether or not they are to take part. In 1971, therefore, the farmers organized a nationwide association (hereafter referred to as the XXXA), with two basic goals: (1) to develop village autonomy and (2) to build up producers' and consumers' co-ops.

The Autonomous Village Movement, directed from the XXX Institute in Seoul, is seeking to revive the traditional Korean village and attract back those who have fled to the cities. The Institute also trains students to go to the countryside and, by encouraging farmers in the revival of traditional ways, persuades them to stay on their farms. Its workshops teach native Korean crafts -woodcarving, enamel work, straw wall-hangings, embroidery, toys, artificial flowers, shellwork, etc. An everhopeful director, Mr. Y, views these as potential future exports, to replace south Korea's current dependence on foreign investment.

As Mr. Y sees it, re-introduction of home industries and the building of new factories in the villages will make the rural economy stable and self-reliant again. He emphasizes that such factories must be *village*-owned and run. With this in mind, the Institute supported a sweater-knitting workshop built by young people of a village 20 km. outside of Seoul. In the communal workshop, which now employs over 100 people, every shop and home in the village has its own machine. Although such home industries have increased in the last ten years, the government has stopped the communal program and replaced it with a workshop system of its own, in which each workshop is controlled by a single "big owner."

The government-run co-ops not only supply produce to the city, but also factory goods and fertilizer to the farmers of each county, in return for more of their rice. Most factories producing urea, the primary ingredient of fertilizer, are under government ownership. As of January 1976 fertilizer is available only at the government, co-op. The Federation structure is fundamentally different from that of the Producers' Co-ops. Government co-ops are organized from top to bottom, starting with the National Agricultural Co-operative Federation in Seoul. At the bottom are the 2000-odd government-run stores, one in each county (myon), the lowest administrative sub-unit. The Producers' Co-ops, however, run from bottom to top, using the villages (*ri*) as the basic sub-unit. One county comprises 10 to 20 villages, each of which contains 2 to 5 sub-villages of 20 to 30 families each. The XXXA believes that, by organizing on the village or sub-village level,

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<sup>5</sup> Bernie Wideman, "The plight of the Peasant," in Frank Baldwin, ed., *Without Parallel*, p. 282.

<sup>6</sup> Statistics released by the Federation of Korean Trade Unions reveal that the average wage of textile union members, for example, is only W35,000 a month, compared with an average family's cost of living of approximately W90,000 a month. Non-union members and temporary ("provisional") workers make even less, of course.

<sup>7</sup> See Baldwin, pp. 294-96 for details.

they will not interfere with the country-level government structure, and that the farmers will have at least some local autonomy.

The XXXA's Producers' Co-ops, modeled on Robert Owen's "Rochdale Principle," have a current membership of more than 800 farmers in fourteen provinces. The XXXA has also organized a Consumers' Co-op among college graduates and teachers in Seoul. Through person-to-person contacts, this Co-op is slowly growing (it now has about 70 members). The underlying principle is that consumers must run their own "shops" and not go through a middleperson. Under a "5-day market system" the farmers rotate their sales within a five-town circuit, selling produce in a different town each day. Union dues cover Producer Co-op members' transportation costs to Seoul. At present, they supply eleven or twelve products, including peppers, garlic, cucumbers, potatoes, and oil, but not rice. They hope to start selling rice this year, but must sell cheaply in order to match the government's prices. Should private channels sell at a price the government feels threatens its cheap rice/ low wages policy, it can immediately flood the market with its own stocks (supplied by imported shipments, and by forcing peasants to pay loans and land taxes in grain).<sup>8</sup> This year the s. Korean government expects to have 800,000 metric tons of rice in reserve storage (an increase of 100,000 tons over last year).

Through organizing to reduce prices, the city consumers also increase the number of their social contacts. In this way, the Consumers' and Producers' Co-ops can unite Seoul consumer with village producer. As Mr. Y put it: "By direct contact with the farmer-producer, the urban consumer may see why we consume-for *others*, for people." Thus, both consumer and producer may understand their mutual dependence.

## In a village

Mr. Y invited me to visit NX, regarded as a model village. After learning so much about the "plight of the peasant," I was expecting to find some concrete documentation. However, my efforts were fruitless. Although the standard of living may be considered 'low" (but then, what "standards" does one use?) I was surprised to see and hear of so much "prosperity." Further, the village was very stable; except for students studying in Seoul, no one has migrated to the cities, due basically to reforms initiated by the village leaders, the Kim brothers.

Keep in mind that certain factors hampered objectivity. For one thing, as a "model" village NX is richer and stronger than the "average," even by the residents' own admission. I visited them in the midst of winter, shortly after New Year's, when activity was nil. What limited time I had was reduced by a snowstorm. I had the opportunity to visit only one home and to talk to only a few people. Finally, Mr. Y himself exudes a contagious optimism. Even so, assuming that whatever problems a rich community has are multiplied in a poorer one, this glimpse may still provide some perspective on rural south Korea.

NX is several hours' arduous travel from Seoul. It consists of 63 families, about 500 people, in two sub-villages. As in most traditional Korean villages, one surname predominates. Here it is Kim. Many Korean villages have a history of a thousand years or more, and the descendants of the original founder usually continue to dominate village life. I stayed in the home of the younger village leader.

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<sup>8</sup> Also see Baldwin, p. 279.

As a foreigner, the first to ever visit them, I was treated as a man. That is, Mr. Y, the Kim brothers, another villager and I talked into the night in the *sarang-dang*, a living room reserved for the use of male visitors in a separate building in front of the house's main quarters, Women visitors go to the kitchen in back. I saw Mrs. Kim when I came and left and only briefly in between -when bringing in and taking out the low tables of food. Although the two-year old son stayed with us for a while, I caught only a glimpse of Kim's four daughters.

The men told me that though most villages have tap water, they still use the well. The government will be installing electricity this March; until then they will continue to use the traditional oil lamps. Although the government will absorb part of the cost of electrification (W5 million), each family must still pay W50,000. Mr. Kim regarded it as a necessary investment and not unreasonable -but then, Mr. Kim was "upper-class" even in this rather rich village. He estimated his yearly income at W2 million, and guessed that the average family earned about half that.<sup>9</sup> Yet all the villagers were planning to pay for the electrification.

All the villagers send their children to school. At present, about 60 children attend primary school, 30 middle school, 10 high school (about 7 km. away), and college. Primary school tuition is W300 per month per child. Kim sends two sons to a private middle and high school in Seoul where tuition costs W 11,000 per child for three months. Kim saves money for his children's education, and for the cost of electrification. -All the rest he ploughs back into the land. Most of the food the family eats is home-grown; they also raise chickens and keep a cow.

The growing season for rice lasts from June to October. The Kims have 1.3 hectares of rice, 0.7 hectares of barley, beans, and garlic, and two hectares of nut trees. They supply half of their fertilizer needs themselves, using compost made from grass, rice straw and manure, purchasing the remainder from the co-op. Last year Kim bought sixty 25-kg. bags of locally-made fertilizer at W 18,000 per bag. This year he will have to pay W30,000 per bag, because, although the local fertilizer is cheaper and the company delivers it free, the government has forbidden farmers to buy from any other place than the government co-op. Since Korean farms are being run down, there seems little sense in allowing them cheap fertilizer, and in any case the government prefers to channel as many resources as possible into exports.

Another major expense is insecticides.. Last autumn due to an unusual outbreak of rice blight, Kim had to buy ten bags of insecticide at W2000 per bag. Since he must spread five or six times a year, he thus estimated the total cost of insecticides alone -at W 100,000 per year. Finally, the tax on rice paddies is especially high. Of the W40,000 total for land and residence taxes, Kim pays W33,000 a year for his rice fields alone.

As if this weren't enough, Kim also told me that he and all the villagers are very agitated about the low rice prices, and especially, about "America's rice policy." Kim asked whether he could pose a few questions to me, the most urgent of which was, "Why does America give us such destructive aid?" According to Kim, all the farmers in the whole area were very disturbed about this. To me, the most surprising thing was that they blamed the U.S., not their own government. Moreover, if such a relatively prosperous community suffers from PL480, how much more so must the poorer ones!

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<sup>9</sup> One agricultural economist estimates farm villagers' annual income at W75,000, while one govt official interviewed in a remote village in the northwest estimated it at W600,000.

## Local self-sufficiency

The villagers in the area produce a light linen called *moshi*, worn in the summer because it absorbs sweat. The farmers of NX are planning to build a village factory to make *moshi*, at present a cottage industry. There already is one such factory in another village about 3 kin. away, and the Kims took me to see it. The "factory" consisted of two long rooms, each housing three looms, built on one side of the open courtyard of one of the village houses. Stalls-for sheer), pigs, chickens, and a cow-and the family's living quarters comprised the other three sides. Whenever the village women had time, they would come and weave some cloth, for the village owned the looms collectively. Farther away, in an open field,, they had built a greenhouse in which they spun and dried the *moshi* fibers into long threads for weaving. Mr. Y says Gandhi's example of spinning and weaving as a village industry inspired them. They hope to rebuild such cottage industries as village industries.

The farmers were very proud of their self-reliance. The government now has to support most villages financially, but not NX. According to Mr. Y and the Kims, villagers' incomes were relatively equal"no one is very rich and no one very poor." The three or four poorest farmers who have only 500 *pyong* (3000 *pyong*= 1 hectare; 1/2 hectare supports a family) and some grassland each, support themselves by working on their neighbors' fields. Although this seems to indicate a sizeable gap between the Kims and the poorest villagers, as far as I could see the size of the houses all seemed to be much the same, and evidence of social differentiation wasn't visible. The Kims seemed to lead a very simple life, judging from the inside of their home. On a purely comparative basis, though, unless the figures got twisted in the translation process,<sup>10</sup> equality in the village was by no means absolute. The village is about 70% selfsufficient, against an estimated national average of less than 40%.

## Village co-ops and mutual aid

The richer villagers also help the poorer ones through the traditional Korean village co-ops. The strength of the XXXA organization is that it is rooted in the village *kei*, or autonomous village co-ops.

Most villages have three *kei*: the *jo chuk kei*, or savings co-ops; *dae dong kei*, or village commons; and *cho kun kei*, which oversees village customs (It formerly punished unfilial behavior, but now only supervises funerals, helping those who can't afford the expenses).

The *jo chuk kei*, or savings co-op, is most reponsible for NX's relative equality. The Kims, through this organization, started a kind of 'rice bank' in 1962. Every year it collects ten liters each of rice and barley from each family. In the first year, Drily 70% of the villagers participated, but now all do. They've collected 210 eightkiloliter bags of rice so far. Sixty go to the government co-op, the money from which (W 10,000 per bag) they deposit there as stock. The other 150 bags are stored in the village. Part will be used to finance the electrification, the rest to assist the poorer villagers if necessary. Whereas the going interest rate on rice is 50%, NX at first lent at 30%, then lowered it to 20%. In the beginning, everyone wanted to borrow, but for three

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<sup>10</sup> Figures extrapolated from Wideman, for example, indicate that a family of five would need about 750 *pyong*, or 1/4 hectare, just to feed themselves. Says Wideman: "But many peasants, especially the 1/3 with holdings of 1/2 hectare, come very close to financial disaster each year." (p. 277)

years now no-one has asked, indicating NX's overall well-being. The three or four neighbouring villages, comprising about 90 don't save much rice, Kim said.

Each of NX's two sub-villages' *dae dong kei*, or village commons, has land that it uses for public benefit. One has 800 *pyong* of land and over W500,000 in savings, the other has 800 *pyong* and W200,000. Villagers who die leaving behind no sons bequeath their money to these funds, which are used for the upkeep of graves and for village and national celebrations. In addition, unique to NX, a "miscellaneous tax fund" pays out the various government taxes and fees levied on each family.

I found on my trip that mutual aid and a long tradition of local autonomy form the backbone of the south Korean villages. In Mr Y's opinion, a strong village organization is enough to offset any north Korean threat. He is confident that the farmers can re-assert themselves and make rural Korea prosper, thereby saving both the countryside and the cities. In his words, the Autonomous Village Movement is "the peaceful way to combat both Communism and Capitalism."

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